

GOVERNMENT OF TELANGANA  
ABSTRACT

Labour Employment Training & Factories Department – Ease of Doing Business – Recommendations on Action Points of State Reform Action Plan, 2020 – Self Certification and Third-Party Certification Scheme, 2020 – Amendments to G.O.Ms.No.9, Labour Employment Training & Factories Department (Labour) Department, dated: 21.04.2017 – Notification – Orders – Issued.

-----  
LABOUR EMPLOYMENT TRAINING & FACTORIES (LAB.II) DEPARTMENT

G.O.Ms.No. 26

Dated: 06-11-2020

Read the following:

1. G.O.Ms.No.9. LET&F (Labour) Department, dated: 21.04.2017.
2. From the Director of Factories, Telangana, Hyderabad, Lr.No. A1/2828/2020, dated: 23.10.2020.

\* \* \*

**ORDER:**

The Government of Telangana is taking up several steps to facilitate “Ease of Doing Business” so as to catalyze creation of employment opportunities while ensuring Safety, Health, Welfare and Social Security for every worker in factories.

2. In the G.O. 1<sup>st</sup> read above, the Government have brought more transparency in the inspection procedures by introducing online System of Risk Assessment based Inspections with random computerized allocation of factories to Inspecting Officers, Self Certification to Medium Risk category factories.

3. In the circumstances reported by the Director of Factories, Telangana, Hyderabad in the letter 2<sup>nd</sup> read above, Government, after careful examination of the matter, hereby decided to issue necessary amendments to G.O.Ms.No.9, Labour Employment Training & Factories (Labour) Department, dated:21.04.2017 with the Self Certification and Third-Party Certification Scheme, 2020 for implementation of State Reforms Action Plan, 2020 to improve Ease of Doing Business in Telangana State.

4. Accordingly, the following Notification will be published in an Extraordinary issue of the Telangana Gazette, **dated:10.11.2020.**

**NOTIFICATION**

In exercise of the powers conferred by sub-sections (1) and (6) of section 8 of the Factories Act, 1948 (Central Act No.63 of 1948), the Government of Telangana hereby makes the following amendments to the Scheme of online System of Risk Assessment based Inspections with random computerized allocation of factories to Inspecting Officers, Self Certification to Medium Risk category factories introduced in G.O.Ms.No.9, Labour Employment Training & Factories (Labour) Department, dated: 21.04.2017:-

**AMENDMENT**

In the said G.O., for paras-6 to 9, the following paras shall be substituted, namely:-

“6. The "Self-Certification and Third-Party Certification Scheme 2020" herein after called as Scheme. The above said scheme is applicable to all the factories registered under the Factories Act, 1948 with certain conditions as mentioned in this Government Order and voluntary except the factories indicated below:-

Contd...

::2::

- (a) If any amount of license fees is due from the factory by the time of desiring to come under this scheme
- (b) If there is any fatal accident in the factory during last five calendar years
- (c) If there is any serious accident resulted in loss of limb(s) or fire incident or explosion or toxic release in the factory during last two calendar years.

7. The periodicity for uploading of self certification / third party certification is as follows: -

- (a). Low Risk Factories ---- once in five years
- (b). Medium Risk Factories --- once in two years
- (c). High Risk Factories --- once in a year

The security deposit payable along with application and check list for inspection of factories for self-certification / third party certification is as follows:-

**Self-Certification:**

Low risk Factories	- Rs. 5,000
Medium Risk Factories employing up to 50 workers	- Rs. 10,000
Medium Risk Factories employing 51 - 150 workers	- Rs. 20,000
High Risk Factories (Factories employing up to 500 workers and other than Major Accident Hazard Factories)	- Rs. 50,000
High Risk Factories (Factories employing more than 500 workers and all Major Accident Hazard Factories)	- Rs.1,00,000

**Third Party Certification:**

Low risk Factories	- Rs. 2,500
Medium Risk Factories employing up to 50 workers	- Rs. 5,000
Medium Risk Factories employing 51 – 150 workers	- Rs.10,000
High Risk Factories (Factories employing up to 500 workers and other than Major Accident Hazard Factories)	- Rs. 25,000
High Risk Factories (Factories employing more than 500 workers and all Major Accident Hazard Factories)	- Rs. 50,000

8. The occupier of any factory, who desires to avail self-certification / third party certification scheme shall upload through online in the portal of the Factories Department in the prescribed format of check list for inspection of factories by duly paying the security deposit.

9. Every factory management desirous of joining the scheme can apply before 31<sup>st</sup> December of a particular year and the scheme is applicable from commencement of next calendar year for the period as mentioned above. The Director of Factories can extend the due date for submission of check list under the above said scheme for a maximum period of 3 months and the check list uploaded by the factory management would be deemed to have been uploaded before 31<sup>st</sup> December of previous year once the exemption is granted”.

2. In the said G.O., after para-9, the following paras shall be added, namely:-

“10. Any defect noticed in the check list uploaded under Self Certification Scheme by the factory management shall be communicated to the respective factory management by the concerned officer through online and the factory management shall rectify the defect(s) within a month. If it is

Contd...

not rectified within a month, it shall be submitted to the Director of Factories by the concerned officer with his / her remarks. The Director of Factories on examination of the check list under the above said scheme and remarks of the officer can permit the concerned officer to issue notice to the factory management and take further action. If the factory management does not upload the compliance report on the check list uploaded by the factory management within one month, the scheme to such factory is deemed to be invalid and the security deposit paid by such factory management shall be forfeited.

11. Quarter-wise department inspections schedule would be generated to the factories opting for third party certification for second and third quarters of year (random selection by the computer) before 31st March. Such factory managements can get the check list for inspection of factories from one of the competent persons for third party certification approved by the Director of Factories, Telangana, Hyderabad and upload the check list for inspection of factories before the end of the quarter in which the inspections are scheduled. On failure to upload such check list for inspection of factories in the portal, those factories would be scheduled for inspections by the officers of the Factories Department in the subsequent quarters as if those factories have not opted for third party certification and the security deposits paid by such factories managements would be forfeited.

12. After receipt of check list under third party certification from any factory, the officer of the department shall scrutinize the same and if he / she found serious violations of safety, health, welfare or other provisions of the Factories Act, 1948 shall submit the remarks to the Director of Factories.

The Director of Factories on verification of the check list and remarks of the concerned officer shall direct the concerned officer to issue show cause notice to the factory management for compliance of such violation(s) of the provisions of the Factories Act, 1948 and for taking further action. The show cause notice shall be limited to the non-compliance of the violations of the Factories Act, 1948 authorized by the Director of Factories.

13. There will be no scheduled inspections by the officers of the Factories Department during the period of validity of the above said scheme opted by the factories managements. However, visits will be carried out in the factories in which accident / dangerous occurrence taken place for enquiring those incidents, for verification of complaints if received against such factories or under special drive or under any special circumstances, which shall be authorized by the Director of Factories.

14. The factories managements can upload a fresh check list under the above said scheme before the end of validity period as per the periodicity as mentioned above, if they are qualified for the scheme.

15. The security deposit paid by the factories managements will not be refundable under any circumstances. But, the same shall be utilized for renewal of this Scheme, if it is not forfeited. If the factory management is desirous of not renewing the Scheme at the end of the validity period as mentioned above, such factory management can apply for adjustment of the security deposit towards the full or part of the annual license fees payable by the occupier of the factory for the future licensing years and shall be adjusted accordingly.

16. The checklist for inspection of factories under the above said scheme issued by the competent person under third party certification uploaded by the factory management will be deemed to be cancelled in case of occurrence of any fatal / serious accident / dangerous occurrence in the factory and the security deposit paid by the factory management will be forfeited.

Contd...

**17. Approval (Recognition/ Renewal) of Competent Persons for Third Party Certification:**

**(a). Qualification of competent persons for Third Party Certification.**

The person shall possess a qualification of degree in Mechanical or Electrical or Chemical Engineering or its equivalent and shall have an experience for a period of not less than 20 years in the field of Production or Operation or Safety department of factories carrying on similar manufacturing process for which he / she is going to conduct third party certification and issue check list for inspection of factories.

Such person is not eligible for conduct of third-party certification and issue of check list for inspection of factory, if he / she is working in any factory or anywhere and not approved as competent person for third party certification by the Director of Factories, Telangana, Hyderabad.

The period of experience shall be relaxed by 5 years in case of persons holding Diploma/Degree in Industrial Safety from Technical Education Board of any of the States or any recognized Universities.

Officer not below the rank of Inspector of Factories or Assistant Director (Occupational Health and Safety) of the Factories Department worked for a period of 15 years in the same department can conduct and issue check list for inspection of factories under third party certification to any factory, if he / she is approved as a competent person for third party certification by the Director of Factories, Telangana, Hyderabad.

**Age:** The age of the competent person shall be not more than 65 years as on the date of visit to a factory and he / she shall be fit.

**(b). Procedure for Approval (Recognition / Renewal) of Competent Persons for Third Party Certification:**

The applicant shall apply to the Director of Factories, Telangana, Hyderabad in the proforma prescribed under Rule 2 A duly mentioning the type of manufacturing process in which he / she is having required experience along with proof of above qualifications by duly paying the fee of Rs. 25,000/-. The period of validity of the approval is one year from the date of issue, which can be renewed on application in the above said proforma along with prescribed fee of Rs.25,000/-.

- (c). The approval (Recognition/ Renewal) of the competent person for Third Party Certification is liable for cancellation on finding wrong information in the check list for inspection of factories and the same person is not eligible for making an application for approval in future”.

The Director of Factories, Telangana, Hyderabad shall take further action in the matter accordingly.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF TELANGANA)

I.RANIKUMUDINI  
SPECIAL CHIEF SECRETARY TO GOVERNMENT

To

The Commissioner of Printing, Stationary and Stores Purchases (PW), Chanchalguda, Hyderabad (for publication in the Gazette and supply of 500 copies to Director of Factories, Telangana, Hyderabad and 20 copies to Government).

The Director of Factories, Telangana, Hyderabad.

Copy to:-

The Industries and Commerce Department.

The P.S. to Hon'ble Minister (Labour & Employment)

The Law (B) Department.

SC

// FORWARDED:: BY ORDER //

SECTION OFFICER